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FOR RELEASE
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THE Tobacco SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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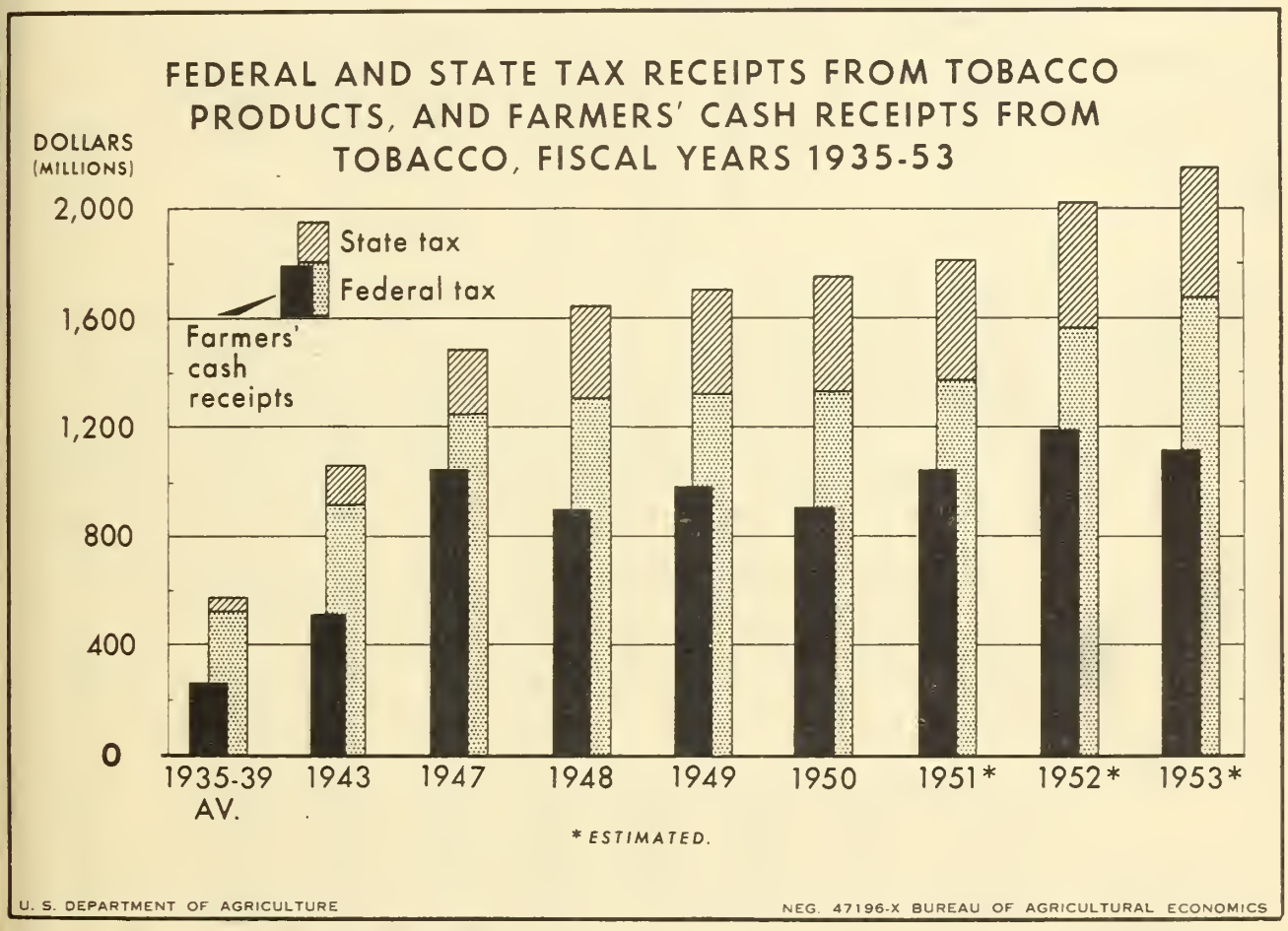

Federal and State tax collections from tobacco products for the fiscal year ending June 30, 1953 will amount to almost twice the cash receipts to growers from the sale of tobacco leaf. It is estimated that growers' receipts from tobacco will total about 1,110 million dollars—about 7 percent less than the record 1951-52 amount. Tobacco taxes are estimated at about 2,150 million dollars—over three-fourths to the Federal Government and the remainder to 41 States that tax tobacco. This will exceed any previous year. The predominant share—more than nine-tenths—comes from cigarettes. According to existing law, the Federal tax of 8 cents per package of 20 cigarettes will revert to 7 cents on April 1, 1954.

STATISTICAL SUMMARY

Item	Unit or base period	1952 Jan.	1952 Feb.	1952 Mar.	1952 Apr.	1953 Jan.	1953 Feb.	1953 Mar.	1953 Apr.	Last data available as percentage of a year earlier
Average prices at auctions										
Flue-cured	Cents per lb.	C-l-o-s-e-d				36.5	C-l-o-s-e-d			---
Burley	Cents per lb.	48.3	35.7	C-l-o-s-e-d		48.9	41.2	C-l-o-s-e-d		115
Maryland	Cents per lb.	C-l-o-s-e-d				C-l-o-s-e-d				
Fire-cured	Cents per lb.	39.0	40.6	33.9	Closed	37.8	37.1	34.7	Closed	102
Dark air-cured (35-36)	Cents per lb.	35.1	26.6	C-l-o-s-e-d		31.4	28.7	C-l-o-s-e-d		108
Virginia sun-cured (37)	Cents per lb.	34.9	31.2	C-l-o-s-e-d		32.0	C-l-o-s-e-d			92
Parity prices										
Flue-cured	Cents per lb.	56.0	56.2	56.2	56.4	53.6	53.2	53.4	53.0	94
Burley	Cents per lb.	54.8	55.0	55.0	55.2	52.2	51.8	52.0	51.6	93
Maryland	Cents per lb.	59.1	59.3	59.3	59.5	56.4	56.0	56.2	55.8	94
Fire-cured	Cents per lb.	34.7	34.8	34.8	35.0	34.7	34.4	34.6	34.3	98
Dark air-cured (35-36)	Cents per lb.	30.4	30.5	30.5	30.6	30.5	30.2	30.3	30.1	98
Virginia sun-cured (37)	Cents per lb.	37.6	37.7	37.7	37.9	35.8	35.6	35.7	35.4	93
Parity index 1/	1910-14=100	287	288	288	289	282	280	281	279	97
Tax-paid withdrawals										
Cigarettes, small	Billion	33	29	30	32	33	32	35		117
Cigars, large	Million	495	447	478	492	481	453	502		105
Chewing and smoking	Mil. lb.	16	15	14	15	14	13	14		100
Snuff	Mil. lb.	3.7	3.7	3.1	3.5	3.6	3.0	3.3		106
Accumulated from Jan. 1										
Cigarettes, small	Billion	33	63	92	125	33	64	99		108
Cigars, large	Million	495	941	1,419	1,911	481	934	1,436		101
Chewing and smoking	Mil. lb.	16	31	44	59	14	27	41		93
Snuff	Mil. lb.	3.7	7.4	10.5	14.0	3.6	6.5	9.8		93
Tax-free removals										
Cigarettes, small	Billion	4	3	3	3	3	2			
Cigars, large	Million	10	9	10	7	5	6			
Chewing and smoking	Mil. lb.	.8	.5	.6	.4	.3	.3			
Accumulated from Jan. 1										
Cigarettes, small	Billion	4	7	10	13	3	5			
Cigars, large	Million	10	19	30	36	5	10			
Chewing and smoking	Mil. lb.	.8	1.3	1.9	2.3	.3	.5			
Personal income 2/	Bil. dol.	263	264	262	262	281	281	282		108
Index of industrial production 3/	1935-39=100	221	222	221	216	236	240	242	242	112
Employment	Million	59.7	59.8	59.7	60.1	60.5	60.9	61.5	61.2	102
Labor force employed	Percent	96.7	96.6	97.1	97.4	97.0	97.1	97.3	97.5	100
Exports (farm-sales wt.)										
Flue-cured	Mil. lb.	31.6	27.3	22.4	13.9	27.4	19.9	39.2		175
Burley	Mil. lb.	1.4	2.4	1.3	2.5	1.4	1.6	1.4		108
Maryland	Mil. lb.	.4	.6	.4	.8	.8	.5	.6		150
Fire-cured	Mil. lb.	3.4	1.7	3.7	1.9	3.7	2.7	2.6		70
Dark air-cured	Mil. lb.	1.0	.9	.7	1.0	.3	.4	1.2		171
Cigar	Mil. lb.	.4	.4	.6	.2	.9	.6	.8		133
Accumulated from beginning of marketing yr. 4/										
Flue-cured	Mil. lb.	388.4	415.6	438.0	451.9	244.0	263.9	303.0		69
Burley	Mil. lb.	9.4	11.8	13.1	15.6	9.0	10.6	11.9		91
Maryland	Mil. lb.	2.1	2.7	3.1	3.8	2.0	2.5	3.1		100
Fire-cured	Mil. lb.	11.6	13.2	16.9	23.8	14.3	16.9	19.6		116
Dark air-cured	Mil. lb.	3.3	4.2	4.9	5.9	1.6	2.1	3.3		67
Cigar filler and binder	Mil. lb.	1.4	1.6	1.9	2.0	1.9	2.2	2.6		137
Cigar wrapper	Mil. lb.	2.4	2.5	2.8	3.0	4.3	4.6	3.1		111
U.S. imports, all commodities	Mil. dol.	915	902	972	935	914	848	992		102
Accumulated from Jan. 1	Mil. dol.	915	1,817	2,789	3,724	914	1,762	2,754		99
Sterling area gold and dollar reserves 5/	Mil. dol.	2,037	1,771	1,700	1,662	1,978	2,103	2,166	2,273	137
Stocks of domestic types (farm-sales weight) 6/										
Flue-cured	Mil. lb.	2,268			1,990	2,442			2,149	108
Burley	Mil. lb.	1,188			1,344	1,241			1,446	108
Maryland	Mil. lb.	59			52	65			57	110
Fire-cured	Mil. lb.	137			173	136			171	99
Dark air-cured	Mil. lb.	77			87	76			90	103
Cigar, filler	Mil. lb.	181			218	183			220	101
Cigar, binder	Mil. lb.	141			159	130			147	92
Cigar, wrapper	Mil. lb.	28			25	28			24	96

1/ Prices paid, interest, taxes, and farm wage rates. 2/ Annual rate, seasonally adjusted. 3/ Adjusted for seasonal variation. 4/ July 1 for flue-cured and cigar wrapper and October 1 for other types. 5/ Held in London. 6/ Dealers' and manufacturers' holdings in United States and Puerto Rico on first day of quarter.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board May 27, 1953

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SUMMARY

Domestic consumption of flue-cured and Burley tobacco in the current marketing year is expected to top that of any previous year, mainly because of the record output of cigarettes. Cigarette manufacture is expected to continue high in 1953-54. The extra length or "king size" cigarette is receiving increasing emphasis. Total exports of unmanufactured tobacco in the current marketing year will be moderately lower than in 1951-52. Although export prospects for 1953-54 cannot be clearly foreseen, it appears probable that they will be nearly as large as or possibly a little larger than in 1952-53.

Cigarette output in the United States during the fiscal year ending June 30, 1953, probably will be near 445 billion--5 percent more than in 1951-52 and 9 percent above 1950-51. Consumption in this country, its territories, and by overseas forces accounts for 96 percent of output, the remainder being exported.

The 1952-53 output of smoking tobacco--a sizable outlet, particularly for Burley--is estimated at 93 million pounds--5 percent less than in 1951-52. With consumer incomes remaining relatively high, consumption of tobacco in pipes or "roll-your-own" cigarettes is not likely to gain in the year ahead.

Exports of unmanufactured tobacco in the year ending June 30, 1953, are estimated at approximately 440 million pounds, declared weight (the equivalent of roughly 500 million pounds, farm-sales weight). This is 15 percent lower than in 1951-52 and the lowest since 1947-48 but still represents about 22 percent of total production. The principal reason for the decrease is the smaller quantity taken by the United Kingdom than in

1951-52, when that country took more than usual to build up stocks. Sizable increases in tobacco exports to Germany, Netherlands, and Japan partly offset the reduced takings in Britain. Flue-cured exports in 1952-53 are likely to be about 17 percent lower than in 1951-52. Fire-cured tobacco exports seem likely to be somewhat above a year earlier but dark air-cured tobacco exports probably will be smaller. Exports of Burley, Maryland tobacco and cigar leaf are not expected to vary much from 1951-52 levels.

The 1953-54 total supplies of flue-cured and Burley probably will be a little larger than for 1952-53 because increases in carryovers will more than offset the decreases expected in production this year. The acreage allotments were reduced moderately. According to farmers' intentions on March 1, the 1953 acreages will be 7 percent lower than 1952 harvested acreages. If yields per acre should equal the 1950-52 average, flue-cured production would be down 3 percent and Burley production would be 12 percent lower than last year's record crop.

Government price support levels probably will be lower since the parity prices for the last few months have been below last year's. The average prices of flue-cured and Burley in the coming season are not expected to be greatly different from their 1952 averages (50.3 cents in each case) in view of the strong domestic demand in prospect.

The 1952 crop of Maryland tobacco is now being marketed. The average auction price though May 26 was 50.4 cents per pound--14 percent above the market average in the same period of a year ago. Supplies are at a record high. The 1953 crop is under a marketing quota and acreage may be 8 percent less this year. Government price support, though not in effect on the current marketings, will be available next season when the 1953 crop is being sold. Most Maryland tobacco goes into domestically manufactured cigarettes.

About 83 million pounds of chewing tobacco and 38 1/2 million pounds of snuff probably will be manufactured in this fiscal year--in each case, down a little from 1951-52. These products are the major domestic outlets for fire-cured and dark air-cured tobaccos. Burley and lower grades of the cigar binder types also are used in chewing tobacco.

Both the 1953 production and the carryover of fire-cured tobacco seem likely to be lower than in 1952. The 1953-54 total supply may be around 4 percent lower than that for the current year. For dark air-cured tobacco, the increase in carryover will more than offset a possible decrease in production and 1953-54 total supply seems likely to be 4 percent larger than that for the current year. The 1953 price supports for fire-cured and dark air-cured types (computed at 75 and 66 2/3 percent of the Burley support level) probably will be lower than in the 1952 season.

Consumption of cigars in the United States in the fiscal year ending June 30 is estimated at 6 billion--nearly 200 million more than in 1951-52. With personal income expected to continue relatively high, cigar consumption probably will be at or above the current year's level.

Cigar filler production may be up a little from last year's relatively low level, but carryover may be down 10 percent and the 1953-54 total supply probably will be the lowest in 5 years. The 1953 production of all binder types combined is expected to be up some from 1952, but carryover will be less so that the 1953-54 total supply probably will be 5 percent lower than in the current year.

The continental cigar filler and binder types, except Pennsylvania Seedleaf (type 41), are being grown under a marketing quota this year and will receive Government price support. Pennsylvania growers of cigar filler disapproved a quota on their 1953 crop, and consequently, price support cannot be made available on this type.

The 1953-54 total supply of shade-grown cigar wrapper may be a little lower than in 1952-53. Lower production than last year is expected in Georgia-Florida, where intentions to plant indicated a reduction of about 14 percent.

TOBACCO PRODUCTS

Cigarettes

Cigarette output in the United States during the fiscal year ending June 30, 1953, probably will reach 445 billion--a new record. Consumption in this country, its territories, and by overseas forces will account for about 96 percent, and commercial exports for the remaining 4 percent. The percentage gain in consumption in this country from 1951-52 to 1952-53 probably will be between 5 and 6 percent. This is a little higher rate of gain than from 1950-51 to 1951-52 and from 1949-50 to 1950-51, when in each instance it amounted to about 4 percent. The output of cigarettes in 1953-54 is expected to continue at a high level.

The average retail price of cigarettes was increased about 1 cent per pack in late February and available data thus far do not indicate any effect on consumption. Most experience in this country demonstrates the inelasticity of cigarette demand both with respect to income and price. Since fiscal 1949-50, cigarette prices to consumers have been increased about 15 percent, but cigarette consumption per person (15 years and over) has risen about 9 percent. The increase in retail prices since 1949-50 resulted from advances in prices by manufacturers in August 1950 and February 1953 and a higher rate of tax by the Federal Government in November 1951. Under existing law, the Federal excise of 8 cents per package reverts to 7 cents on April 1, 1954. In some areas, consumer prices for cigarettes also have increased because of higher State or municipal taxes.

The extra length or "king size" cigarette apparently is continuing to gain as several companies are placing more on the market. The average prices of these in a number of cases exceed the price of standard size cigarettes. It is generally estimated that the extra length cigarette (without filter tip) contains about 15 percent more tobacco than the standard length cigarette.

The Bureau of Labor Statistics index of wholesale prices (excludes Federal and State taxes) of standard brand cigarettes rose 10.7 percent from February to April and is 24 percent above the 1947-49 average.

Cigarettes shipped overseas to the armed forces, for sea stores, and as exports to foreign countries compose the bulk of tax-free removals of cigarettes. Total cigarette exports to foreign countries have remained quite stable although varying somewhat by countries. Other tax-free cigarettes have been averaging about 5 percent above a year earlier.

Table 1.- Cigarettes: Total output, domestic consumption and exports, for specified periods

Period	Total output	Domestic 1/ consumption	Tax-free removals 2/ Total	Tax-free removals 2/ Exports
	Billion	Billion	Billion	Billion
Average:				
1935-39	164.2	157.0	7.2	5.5
1940-44	256.9	223.5	33.3	5.8
1945	332.2	267.2	65.0	6.9
1946	350.0	321.7	30.7	24.1
1947	369.7	335.4	34.3	22.8
1948	386.8	348.5	38.7	25.2
1949	385.0	351.8	33.2	19.5
1950	392.0	360.2	31.8	14.3
1951	418.8	379.7	38.9	16.8
1952	435.5	394.1	40.9	16.4
		Fiscal year		
July 1949-June 1950	383.3	354.8	28.6	16.3
July 1950-June 1951	407.3	369.2	38.1	15.5
July 1951-June 1952	422.1	383.0	38.2	16.5
July 1952-June 1953 3/	445.0	405.0	40.0	16.5

1/ As indicated by tax-paid removals. 2/ In addition to exports, tax-free removals include principally shipments to forces overseas, to United States possessions, and ships' stores. 3/ Estimates based on July 1952-February 1953 indications.

Bureau of Agricultural Economics. Basic data but not the estimates compiled from reports of the United States Treasury and Commerce Departments.

The 16 billion cigarettes exported to foreign countries in 1952 had a declared value of 54 3/4 million dollars. The per unit value of exported cigarettes in 1952 was $3.35 per 1,000--5 percent higher than in 1951 and 25 percent above the 1947-49 average.

Table 2.- Cigarette exports from the United States for specified periods

Country	Average 1934-38 (calendar year)	1950-51 1/	1951-52 1/	July-March		
				1951-52 1/	1952-53 1/	1952-53 as percentage of 1951-52
	Million	Million	Million	Million	Million	Percent
Tangier & Fr. Morocco	12	1,496	1,946	1,636	2,003	122
Venezuela	39	1,375	1,776	1,396	1,066	76
Philippines, Rep. of	2,544	1,312	1,272	1,164	187	16
Hong Kong	22	1,219	933	762	617	81
Netherlands Antilles	1,221	742	813	623	679	109
France	307	607	776	495	595	120
Switzerland	16	819	729	514	454	88
Panama & Canal Zone	389	657	701	515	610	118
Belgium	63	378	642	550	852	155
Sweden	80	701	515	421	622	148
Other countries	77	5,709	6,351	4,902	5,360	109
Total all countries	4,770	15,515	16,454	12,978	13,045	101

1/ Preliminary.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

Cigars

Cigar consumption in the United States for the fiscal year to end June 30, 1953, is estimated at near 6 billion--nearly 200 million more than in 1951-52. This exceeded the gain of approximately 135 million from 1950-51 to 1951-52. Continuation of personal incomes at a high level is expected to maintain 1953-54 cigar consumption at or above the current year's level. About 97 percent of the cigars consumed are produced in domestic factories and the remaining 3 percent are from bonded manufacturing warehouses that use imported tobacco only or are imported ready made. Although still very small relative to the total, Philippine cigars appear to be increasing. In prewar years, Philippine cigars accounted for nearly 4 percent of total United States consumption. Also, cigars from Puerto Rico are increasing and are expected to attain new significance as the result of the completion of the modern factory there.

About 2 1/2 times as many cigars are being produced by domestic factories for tax-free purposes as before the Korean outbreak, mostly as the result of greater shipments for use of the overseas forces of the United States. Relatively few cigars are exported from the United States for foreign consumption. In calendar year 1952, exports totaled 3 1/4 million, going mostly to Canal Zone, Panama, Saudi Arabia, and Union of South Africa.

Table 3.- Large cigars: Output and domestic consumption for specified periods

Period	Domestic factories			Bonded manufacturing warehouses	Imports for consumption			From Puerto Rico: Tax-paid withdrawals in United States
	Total output	Tax-paid removals	Tax-free removals	Tax-paid removals	Total	From Philippines	From Cuba	
	Million	Million	Million	Million	Million	Million	Million	Million
Average:								
1935-39	5,075	5,060	13	66	192.4	189.2	3.0	27.4
1940-44	5,450	5,282	199	105	93.7	78.4	15.3	11.6
1945	5,275	4,774	469	82	60.0	.0	59.8	85.3
1946	5,618	5,621	26	125	22.2	2.0	20.1	77.8
1947	5,488	5,460	41	124	12.5	3.2	9.1	6.2
1948	5,645	5,588	38	140	11.8	1.4	10.3	5.0
1949	5,453	5,399	46	142	10.9	.6	10.2	4.6
1950	5,399	5,365	47	158	11.9	.7	11.1	.7
1951	5,594	5,518	85	171	14.3	1.3	13.0	.7
1952	5,825	5,752	101	180	14.6	1.9	12.5	1.9
	Fiscal year							
July 1949-June 1950	5,435	5,298	39	148	10.7	.6	10.0	.6
July 1950-June 1951	5,532	5,486	70	168	13.3	1.2	12.0	.7
July 1951-June 1952	5,685	5,619	87	171	14.4	1.2	13.0	.7
July 1952-June 1953 1/	5,900	5,800	95	185	16.0	2.5	13.3	4.5

1/ Estimates based on July 1952-February 1953 indications.

Bureau of Agricultural Economics. Basic data compiled from reports of the Bureau o Internal Revenue and the United States Department of Commerce.

Indicated tax-paid withdrawals suggests that during the first 9 months of the 1952-53 fiscal year, the number of cigars retailing for from 4 to 6 cents rose 4-1/2 percent above those in the same period of 1951-52 and the number in the 8- to 15-cent group gained almost 3 percent.

The BLS wholesale price index for popular-priced cigars in April was 2.6 percent above a year earlier and almost 4 percent above the pre-Korean level. The index for medium-priced cigars increased a little less than 1-1/2 percent early this year--the first rise for this index since early 1947. The index for higher-priced cigars has remained unchanged since the 3-1/2 percent advance in the last half of 1950.

Smoking Tobacco

The output of smoking tobacco in the United States during the fiscal year ending June 30, 1953, is estimated at 93 million pounds--5 percent less than in 1951-52 and 12 percent below 1950-51. Domestic use accounts for about 96 percent of total output and exports for most of the remainder.

As long as consumer incomes remain relatively high, smokers are not likely to shift towards consumption of less expensive tobacco in pipes or roll-your-own cigarettes. It is estimated that the use of cigarette papers for roll-your-own cigarettes declined about 8 percent from fiscal 1950-51 to 1951-52--the latest period for which adequate data are available.

The BLS index of wholesale prices (excluding tax) for smoking tobacco in April 1953 was 2 percent higher than a year earlier and 17 percent above the pre-Korean level.

During the first three-fourths of the current fiscal year, exports of packaged and bulk smoking tobacco totaled 465,000 and 2,228,000 pounds, respectively. Packaged smoking tobacco exports were 5 percent larger than in the corresponding period of a year earlier, and exports of bulk smoking tobacco were 58 percent larger and exceeded the figure for any entire fiscal year since 1945-46.

Table 4.- Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average:							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.3	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.3	85.0	38.7
	Fiscal year						
July 1949-June 1950	108.7	41.3	5.5	2.8	39.5	89.1	40.7
July 1950-June 1951	106.0	40.1	5.1	2.8	39.7	87.7	40.4
July 1951-June 1952	98.0	39.4	4.5	2.8	39.2	85.7	39.1
July 1952-June 1953 1/	93.0	38.0	4.8	2.7	37.5	83.0	38.5

1/ Estimates based on July 1952-February 1953 indications.

Bureau of Agricultural Economics. Basic data but not the estimates compiled from reports of the Bureau of Internal Revenue.

Chewing Tobacco

Output of chewing tobacco in the United States during the fiscal year ending June 30, 1953, is estimated at 83 million pounds--over 3 percent lower than in 1951-52 and about 5 1/2 percent lower than in 1950-51. The decline in chewing tobacco consumption has been going on for a long time and in each of the last 6 years, has reached a new low. In the first 8 months of the current fiscal year, output of plug declined 4 percent below the corresponding period of 1951-52, scrap was down 6 percent, fine-cut held nearly even, but twist gained 9 percent. The major chewing classifications, plug and scrap, accounted for 46 and 44 percent, respectively, of total chewing tobacco.

Chewing tobacco users in the United States consume all except the 2 or 3 percent which goes as exports to foreign countries and shipments for overseas use. Exports and overseas use during the first 9 months of the current fiscal year were ahead of that in the same period of 1951-52.

The BLS index of wholesale prices (excluding tax) for plug chewing tobacco through April continued at the level of the past 1 1/2 years but was 12 1/2 percent higher than the pre-Korean level.

Snuff

The output of snuff in the United States in the fiscal year ending June 30, 1953, is estimated at 38 1/2 million pounds--about two-thirds of a million less than in 1951-52 and around 2 million lower than in each of the preceding 2 years. Practically the entire output is consumed in the United States.

The BLS index of wholesale prices (excluding tax) for snuff in April remained the same as in the last 1 1/2 years but was 19 percent higher than the pre-Korean level.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of unmanufactured tobacco from the United States in the year ending June 30, 1953, are estimated at approximately 440 million pounds (near 500 million pounds farm-sales-weight equivalent)--15 percent lower than in 1951-52 and the lowest since 1947-48. Most of the decrease is due to the much smaller quantity taken by the United Kingdom than in 1951-52 when that country took more than usual to build up stocks. Partially offsetting the decline in exports to Britain are the sizeable increases in exports to Germany, Netherlands, and Japan.

During the first 9 months of the fiscal year, tobacco exports totaled 26 percent less than in the same period of 1951-52. A sizeable amount of the 70 million pounds (dry weight) acquired under option for British manufacturers and held in Commodity Credit Corporation loan stocks was exported in March. Much of the remainder will be shipped in April-June, and exports during that quarter are expected to be considerably larger than a year earlier. Ordinarily, the major part of British purchases is exported during August-December.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Tobacco export prospects for 1953-54 cannot be clearly foreseen. It now appears probable that exports may be about the same or perhaps slightly larger than in the current fiscal year. Stocks of United States tobacco in several European countries are low relative to consumption. The economic position of several major importing countries improved during 1952 and if improvement continues, it may favor some increase. As in other postwar years, the principal problem of most countries will be to earn sufficient dollar exchange with which to purchase this country's exports. United States imports were at a high level during 1951 and 1952. Total value of United States imports during the first 9 months of the current fiscal year was about 5 percent above that of the same period of a year earlier but the January-March 1953 total exceeded that of January-March 1952 by less than one half of one percent.

At the end of 1952, gold and dollar holdings of Netherlands, Belgium, Germany, France, Sweden, Switzerland, and Portugal were notably above those of a year earlier. The sterling area gold and dollar reserves held in London fell from the postwar peak of 3.8 billion dollars in mid-1951 to 1.7 billion in mid-1952 but had been built back to 2.3 billion by the end of April 1953.

Foreign countries that produce significant quantities of flue-cured tobacco for export include Southern Rhodesia, India, and Canada. The 1952-53 crop of Southern Rhodesian flue-cured, estimated at 108 million pounds (farm-sales weight), is now being marketed, and the average price for early season sales was higher than a year ago. The crop is believed to be about 12 percent larger than the previous one and the largest on record. Britain purchased about 62 million pounds from last year's Southern Rhodesian crop instead of the 75 million originally planned. The agreement between the United Kingdom Tobacco Advisory Committee and the Southern Rhodesia Marketing Board provides for British purchases of 80 million pounds (about 70 million export weight) in the present year. In India, 1952-53 flue-cured production, may be as low as 70 million pounds, -- 22 percent smaller than in 1951-52 and 34 percent below that of 1950-51. Canada, although cutting acreage 23 percent in 1952, had a record yield per acre, and the 129 million pound crop was only 11 percent below the large 1951 crop. The 1953 flue-cured acreage in Ontario, the major tobacco producing province, is expected to be around 10 percent larger than in 1952. The Price and Appraisal Committee of the Flue-cured Marketing Association set a minimum average price for the 1952 crop at 42 1/4 cents per pound--about 5 percent less than the minimum for the 1951 crop.

British Tobacco Situation

British tobacco consumption in 1952 was maintained near the level of 1951. Tobacco retained for home consumption at 218 million pounds in 1952 was only about 1-1/3 percent lower than in 1951 but 2 or 3 percent above each of the preceding 3 years. The proportion of Commonwealth tobacco in total home consumption rose from 29 percent in 1948 to 44 percent in 1952. Non-Commonwealth tobacco, the great bulk of which comes from the United States, fell from 71 to 56 percent of home consumption.

Table 5.- United States exports of unmanufactured tobacco, to principal importing countries, by types, for specified periods

(Declared weight)

Country and type	Average 1934-38	1951 1/	1952 1/	January-March: Average 1934-38	January-March: 1952 1/	January-March: 1953 1/	1953 as percentage of 1952
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	324.9	433.8	319.1	68.0	71.3	76.5	107
Burley	11.6	25.2	27.0	3.4	4.4	3.8	86
Maryland	5.5	8.0	5.8	1.8	1.3	1.8	138
Va. fire-cured	9.7	4.5	2/ 5.0	3.1	.9	1.3	144
Ky. & Tenn. "	53.7	29.2	21.8	15.7	6.8	6.7	99
One Sucker	.7	3.6	1.5	.1	.4	.2	50
Green River	3.0	1.9	2.3	1.1	1.3	1.0	77
Black Fat, etc.	9.0	4.9	3.2	2.1	.8	.7	88
Cigar	1.3	6.9	6.8	.2	1.3	2.0	154
Perique	.1	.1	.1	(3/)	(3/)	(3/)	---
Stems, trimmings, and scrap	17.8	4.0	3.6	4.7	1.0	.7	70
Total	437.3	522.1	396.2	100.2	89.5	94.7	106
Country of destination							
United Kingdom	213.9	223.4	54.5	37.4	16.3	24.0	147
France	21.0	10.0	6.7	8.4	1.4	2.0	143
Belgium	15.5	29.6	15.6	3.6	4.5	1.9	42
Netherlands	15.6	24.3	36.2	4.4	7.4	8.0	108
Germany	12.6	47.7	4/ 79.6	2.8	7.5	11.1	148
Portugal	4.8	6.0	5.0	1.2	1.1	2.6	236
Denmark	4.6	9.1	9.5	.8	2.2	.9	41
Ireland	7.4	17.6	16.4	1.7	7.1	1.2	17
Switzerland	3.8	12.4	10.7	1.0	1.8	2.3	128
Norway	4.7	6.6	7.8	.9	1.3	1.3	100
Sweden	7.2	15.0	13.0	1.9	1.4	.2	14
Italy	1.1	2.2	2.9	.2	(3/)	.6	---
China	48.2	.0	.0	13.2	.0	.0	0
Australia	18.4	20.3	24.0	4.9	6.0	5.3	88
India-Pakistan	2.6	6.1	5.8	.6	2.3	.9	39
New Zealand	2.5	7.1	5.4	.7	1.4	1.5	107
Philippine Rep.	1.2	9.5	29.7	.3	7.7	4.6	60
Other countries	52.2	75.2	73.4	16.2	20.1	26.3	131
Total	437.3	522.1	396.2	100.2	89.5	94.7	106

1/ Preliminary. 2/ Includes .3 million pounds of Virginia sun-cured. 3/ Less than 50,000 pounds. 4/ Includes .4 million pounds to East Germany.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

Table 6.- Average declared value per pound of tobacco exports from the U. S. by kind, and by leading countries of destination, 1949-52

Kind of tobacco and country of destination	1949	1950	1951	1952 1/
	Cents	Cents	Cents	Cents
Flue-cured (unst.)	49.8	52.4	63.6	61.9
1. U. King.	55.6	63.6	65.9	67.6
2. Germany	30.2	37.7	53.6	54.8
3. Belgium	30.3	32.2	43.8	42.3
4. Australia	68.2	70.1	71.4	76.5
5. Ireland	57.3	59.8	66.0	69.0
6. Netherlands	28.0	33.0	45.7	45.1
7. Sweden	50.4	70.7	74.4	72.0
8. Indonesia	51.3	54.9	63.6	64.9
9. Phil. Rep.	23.3	26.9	62.1	50.3
10. New Zealand	72.1	70.9	74.5	78.3
11. Denmark	43.5	49.4	58.5	59.8
12. Thailand	57.6	59.8	71.6	72.7
13. Switzerland	50.6	50.7	62.0	65.0
14. India 2/	102.5	116.4	106.6	109.8
15. Norway	61.5	62.0	65.4	66.5
16. Hong Kong	79.6	67.3	73.8	74.2
17. Egypt	66.0	54.6	68.8	71.1
18. Finland	37.7	40.9	56.9	61.6
19. Fr. Indochina	55.9	62.2	71.1	73.7
20. Uruguay 2/	93.3	106.0	112.0	110.8
Burley (unst.)	39.2	38.7	45.4	51.4
1. Germany	33.5	36.9	43.0	51.0
2. Portugal	32.8	32.7	34.4	31.8
3. Belgium	30.8	30.5	32.9	35.1
4. Sweden	66.2	57.4	73.7	75.0
5. Denmark	42.7	38.9	42.9	49.8
6. Netherlands	33.5	31.3	33.9	45.4
7. Austria	44.3	32.5	36.8	37.1
8. Norway	57.7	46.6	63.0	64.0
9. Phil. Rep.	50.0	29.8	46.3	37.0
Maryland (unst.)	62.3	66.7	65.4	72.5
1. Switzerland	72.6	76.6	80.5	83.5
2. France	69.4	81.8	76.6	100.0
3. Fr. Morocco	24.8	53.3	28.7	28.8
4. Tunisia	25.7	39.6	30.9	37.8
5. Spain	41.2	43.3	24.9	43.4
6. Netherlands	21.7	31.1	33.2	34.8
7. Belgium	30.6	27.9	61.0	34.1
One Sucker (unst.)	39.4	55.6	46.4	76.2
1. Nigeria	68.5	71.2	78.3	86.6
2. Belgium	31.5	28.2	28.3	35.1
3. Netherlands	26.6	23.8	31.2	59.3
4. Tunisia	27.8	26.1	34.2	---
5. Liberia	49.6	51.9	52.8	50.0
Green R. (unst.)	32.4	44.9	27.7	46.8
1. U. King.	37.3	45.7	35.0	45.8
2. Liberia	48.9	51.0	56.1	59.5
3. Belgium	28.1	33.9	33.9	37.1
Ky.-Tenn. fire-cured (unst.)	37.1	40.5	39.5	47.3
1. France	31.5	34.9	36.7	---
2. Netherlands	39.9	40.8	41.8	45.7
3. Belgium	32.2	31.9	35.0	36.7
4. Switzerland	43.2	45.8	43.3	50.5
5. U. King.	50.0	39.4	42.9	44.8
6. Fr. W. Af.	41.5	41.4	44.7	46.0
7. Ireland	40.7	38.6	49.1	49.3
8. Italy	69.4	66.6	72.8	80.0
9. Germany	35.3	42.4	38.8	41.8
10. Algeria	35.0	29.1	39.0	38.6
11. Tunisia	31.4	26.8	30.8	32.6
Dark Va. (unst.)	53.0	44.7	58.5	63.3
1. Norway	54.5	52.2	55.4	57.5
2. U. King.	56.9	48.0	50.1	68.2
3. Switzerland	60.3	50.6	63.3	69.7
4. Austria	63.8	68.4	71.9	75.7
5. New Zealand	60.5	58.4	67.2	74.2
6. Germany	46.7	58.4	66.1	65.8
Wrapper	168.8	178.2	175.9	146.2
1. Germany	123.7	127.7	128.4	118.8
2. Canada	497.6	458.8	434.9	275.7
3. Denmark	226.9	245.9	144.9	122.0
4. Netherlands	162.6	214.9	179.9	150.0
5. Belgium	203.9	171.4	170.1	107.6
Binder	90.9	84.8	86.3	87.9
1. Germany	95.3	78.4	87.6	91.0
2. Belgium	91.5	80.1	78.0	86.2
3. Netherlands	42.7	71.5	64.6	65.3
4. Denmark	63.9	126.1	110.4	119.8
5. Austria	104.8	94.2	94.7	116.1
6. Sweden	120.0	77.8	99.2	102.6
Filler	33.7	37.1	31.5	36.2
1. Algeria	26.7	30.3	28.8	27.6
2. Belgium	33.7	27.8	30.3	25.5
3. Tunisia	25.7	---	28.3	21.7
Black Fat	55.9	59.1	58.1	75.7
1. Nigeria	63.1	66.5	68.0	78.1
2. Fr. W. Af.	40.6	45.0	43.0	66.7
3. Gold Coast	63.2	63.2	69.0	80.7
4. Cameroon	45.3	42.0	45.8	53.3
5. Canary I.	53.3	45.0	32.9	48.4
Perique	93.5	78.2	83.6	88.3
1. U. King	111.1	87.5	85.7	87.5

1/ Preliminary. 2/ Stemmed.

British imports of tobacco in 1952 were far lower than in 1951 because of the 68 percent drop in tobacco coming from the United States. British Commonwealth countries supplied about 9 percent more in 1952 than in 1951. It was possible for Britain to maintain consumption and exports by reducing stocks from 498 million pounds at the outset of 1952 to 430 million pounds at the end of 1952. At the close of February, stocks of tobacco in Britain were down to 403 million pounds--89 million lower than a year earlier and the lowest for February in the past 4 years.

Table 7.- United Kingdom tobacco: Stocks, imports, consumption, and exports, average 1934-38, annual 1939-52

Year	Stocks Dec. 31	Imports 1/		Retained for home consumption			Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
		Total	From United States	Non-preferential 2/	Preferential 2/	Total		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1934-38	497	275	213	132	39	171	39	12
1939	514	212	128	151	48	199	30	14
1940	328	141	59	141	50	191	27	2
1941	259	214	129	153	69	222	17	1
1942	238	265	180	157	76	233	18	2
1943	310	354	291	165	56	221	18	4
1944	243	230	180	173	47	220	37	1
1945	278	369	310	183	48	231	37	13
1946	383	433	366	193	55	248	55	7
1947	384	296	201	173	51	225	52	1
1948	390	281	172	153	61	214	45	1
1949	419	302	154	139	72	211	47	2
1950 3/	445	306	144	132	82	214	43	4
1951 3/	4/498	355	212	130	91	221	51	7
1952 3/	4/430	224	67	121	97	218	47	12

1/ Unmanufactured tobacco--Imports of manufactured tobacco products have generally been small relative to imports of unmanufactured tobacco. 2/ Tobacco imported from non-preferential areas comes in at full duty rate while that imported from preferential areas (Commonwealth origin) comes in at a lower rate of duty. At present, the preferential rate is only about 3 percent below the full duty rate, but from 1931 to 1939, it was over 20 percent below the full duty rate. 3/ Subject to revision. 4/ Stocks on February 28, 1953, were 403 million pounds; on February 29, 1952, 492 million pounds.

In 1952 Britain exported 47 million pounds of manufactured tobacco products--8 percent less than in 1951, the high year since 1947. The bulk of the exported tobacco products is cigarettes and major declines occurred in those going to Australia, Singapore, Hong Kong, Nigeria, and Belgian

Congo. Partially offsetting these declines were significant increases in cigarettes going to Burma, Germany, Egypt, France, and Anglo-Egyptian Sudan. In the first quarter of 1953, exports of manufactured tobacco were 29 percent lower than a year earlier, with declines occurring for most major destinations.

Re-exports of unmanufactured tobacco from Britain rose sharply in 1952--totaling nearly 12 million pounds compared with 7 million in 1951. About one-fourth of the re-exports was flue-cured and three-fourths, other types. Over four-fifths of total tobacco re-exports went to Netherlands. Re-exports of unmanufactured tobacco in the first quarter of 1953 totaled over 3-1/2 million pounds--more than 50 percent above a year earlier.

UNITED STATES TOBACCO IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

United States imports (for consumption) of unmanufactured tobacco in the fiscal year ending June 30, 1953, seem likely to be nearly as much as the 105 million pounds in 1951-52. During the first 9 months of the current fiscal year, tobacco imports were only 1-1/2 percent less than in comparable months of a year earlier. Imported cigarette leaf accounted for 74 percent of the total. Imports of cigarette leaf from Turkey and Greece during July 1952-March 1953 were up 6 and 20 percent, respectively; but none was recorded from USSR and Bulgaria in contrast to 7-1/2 million pounds from those sources of a year earlier. The duty rate on leaf from those two countries was increased in late 1951. There was a decline in the quantity of Latakia from Syria but a substantial relative increase in cigarette leaf from Yugoslavia. Stocks of foreign grown cigarette and smoking tobacco totaled 167 million pounds on April 1, 1953,--5 percent lower than a year earlier.

During July 1952-March 1953, imports of cigar filler decreased 8 percent from the comparable period of a year earlier. That from Cuba decreased 12 percent but that from the Philippines increased 27 percent. A much larger proportion from the Philippines was stemmed tobacco instead of unstemmed--the reverse of the proportions of a year earlier. Imports of scrap from Cuba increased sharply and a sizable poundage of scrap came in from the Philippines in contrast with a negligible amount of a year earlier. On April 1, 1953, stocks of Cuban tobacco in the United States totaled a little over 16.3 million pounds--8 percent below a year earlier--and stocks of Philippine tobacco at 1.7 million pounds were triple those of a year earlier.

Cigar wrapper imports in the first three-quarters of this fiscal year were moderately lower than in the similar period of 1951-52. The decrease in that from Indonesia more than offset the increase in that from Cuba. Stocks of Sumatra and Java tobacco in the United States on April 1, 1953, were 550,000 pounds compared with 514,000 a year earlier and 595,000, 2 years earlier.

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

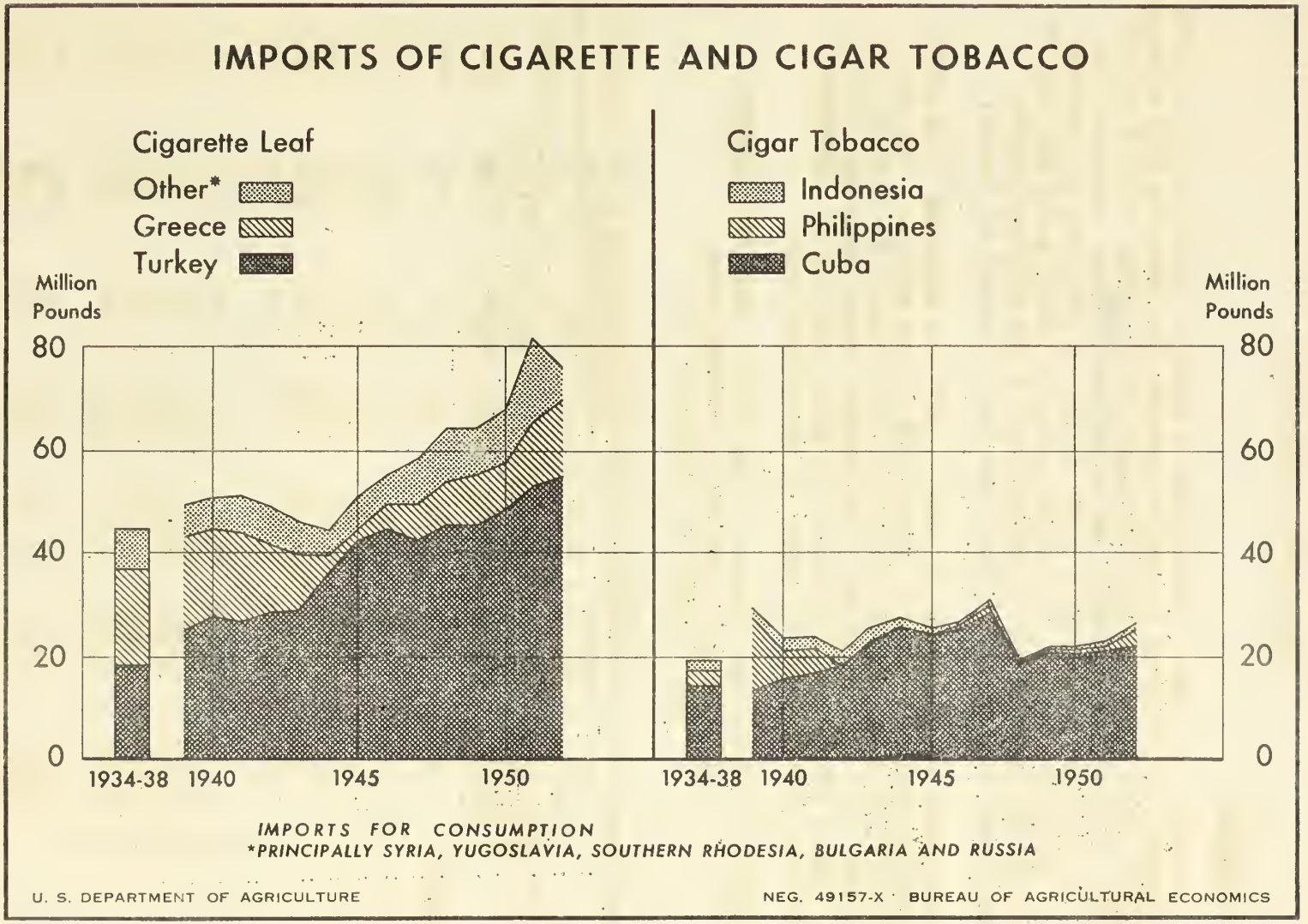
Table 8.- United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Average 1934-38	1951 1/	1952 1/	January-March Average 1934-38	January-March 1952 1/	January-March 1953 1/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Cigarette leaf						
Unstemmed						
Turkey	18.2	53.0	55.0	4.1	13.4	13.9
Greece	18.8	12.4	14.5	4.6	3.1	3.9
Syria	.5	4.0	3.7	.1	1.0	.9
Bulgaria	.6	3.0	(2/)	.2	(2/)	.0
U.S.S.R.	.1	6.1	(2/)	(2/)	.0	.0
So. Rhodesia	(2/)	.6	.6	(2/)	.2	(2/)
Yugoslavia	.0	.3	.8	.0	.1	.4
Total 3/	44.4	81.4	75.9	10.5	18.2	19.3
Cigar leaf (filler)						
Cuba						
Stemmed	7.1	10.9	9.9	1.7	2.9	2.6
Unstemmed	4.1	4.1	4.0	1.1	1.0	1.1
Philippine, Rep.						
Stemmed	(4/)	.1	1.9	(4/)	.3	.1
Unstemmed		.7	.2		.1	.0
Total 3/	11.3	15.8	16.0	2.9	4.3	3.8
Scrap						
Cuba	2.9	6.0	8.1	.8	2.0	2.3
Philippine, Rep.	4/ 3.2	.0	1.2	4/ .5	.0	.5
Total 3/	6.1	6.1	9.4	1.3	2.0	2.8
Cigar wrapper						
Indonesia	5/ 1.9	.9	.8	5/ .4	.2	.1
Cuba	.2	.3	.3	(2/)	.1	.1
Total 3/	2.1	1.3	1.1	.4	.3	.2
Total imports 6/	66.3	104.8	103.1	14.7	24.9	26.3

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ Includes relatively small quantities from other countries not separately listed. 4/ Reported as leaf in 1934 and 1935 and as scrap in 1936-38. 5/ From Netherlands Indies or Netherlands. 6/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.



In each of the last 2 years, total unmanufactured tobacco exports exceeded 100 million pounds–over three-fourths, oriental types of cigarette leaf and the rest mainly cigar tobacco. The increase in cigarette leaf imports since prewar has been substantial though not as great as the rise in cigarette output. Turkey supplies a much larger share of the imports than prewar.

Cigar tobacco imports are moderately above prewar with the predominant share coming from Cuba. The cigar tobacco imports from the Philippines gained sharply from 1951 to 1952 and were slightly above the prewar average. Imports of cigar wrapper leaf from Indonesia have been less than one-half of the prewar average in each of the last 5 years.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-cured, Types 11-14

1953-54 Supplies

According to farmers' intentions on March 1, about 1,032,900 acres of flue-cured will be grown in 1953--7 percent less than the 1952 acreage, the largest since 1947. Acreage allotments were reduced about 8 percent from 1952. Production from this year's smaller acreage, together with stocks, is expected to provide a total supply in line with prospective domestic and export demand. If yields per acre should equal the 1950-52 average, production this year would be about 1,325 million pounds--3 percent lower than in 1952, though the fourth largest on record.

Carryover of flue-cured on July 1, 1953, is expected to be about 1,850 million pounds--7 percent higher than a year earlier. The prospective 1953-54 total supply--carryover plus production--probably will approximate 3,175 million pounds 2 1/2 percent higher than the 1952-53 level. Such a supply would be about 2.5 times probable disappearance in 1953-54--slightly above the ratio in the current year.

Table 9.- Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)

Year	Production	Stocks July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	741	845	1,586	704	338	366	22.9
1939	1,171	946	2,117	707	417	290	14.9
1940	760	1,410	2,170	577	421	156	16.4
1941	650	1,593	2,243	783	492	291	28.1
1942	812	1,460	2,272	893	604	289	38.4
1943	790	1,379	2,169	980	625	355	40.2
1944	1,087	1,189	2,276	1,150	696	454	42.4
1945	1,173	1,126	2,299	1,152	667	485	43.6
1946	1,352	1,147	2,499	1,212	659	553	48.3
1947	1,317	1,287	2,604	1,054	695	359	41.2
1948	1,090	1,550	2,640	1,102	720	382	49.6
1949	1,115	1,538	2,653	1,168	729	439	47.2
1950	1,257	1,485	2,742	1,185	757	428	54.7
1951	1,453	1,557	3,010	1,279	777	502	52.4
1952 2/	1,365	1,731	3,096				50.3

1/ Year beginning July 1.
2/ Subject to revision.

Domestic Use and Exports

During the current marketing year (July 1952-June 1953), the domestic use of flue-cured is estimated at 830 million pounds--7 percent more than in 1951-52. This will be higher than any previous year's domestic use and reflects the record cigarette output and the increasing proportion of extra length cigarettes which require more tobacco. Domestic use of flue-cured is likely to continue large in 1953-54.

Flue-cured exports in the year ending June 30, 1953, are estimated at around 415 million pounds (farm-sales weight)--17 percent lower than in 1951-52 and 3 to 6 percent lower than in the preceding 2 years. The 1951-52 flue-cured exports were the second largest on record, due principally to the exceptional takings by Britain, which were partly for adding to stocks. The exports to Britain in 1952-53 will be only a little over one-half as much as in 1951-52 and also, moderately less than in each of the preceding 3 years.

Flue-cured exports during 1953-54 seem likely to be about as much as in 1952-53 with some possibility of a small increase. If prices of some grades tend to be lower, it may favor larger export purchases.

During July 1952-March 1953, flue-cured exports were 31 percent below those of the same period of last year. Shipments to Britain were down 73 percent. About 30 percent of the tobacco placed under option by British buyers last season was included in the July 1952-March 1953 figure. However, all of the optioned tobacco is expected to be shipped by June 30. The July 1952-March 1953 shipments to Germany were more than double those in the same months of 1951-52. The next ranking outlets were Australia, Netherlands, Philippine Republic, and Japan, all of which got more than a year earlier. Japan got a substantial quantity--much more than in any previous year. Other destinations that got more flue-cured in the first three-quarters of the 1952-53 marketing year than in the same period of a year earlier were Indonesia, France, Portugal, Norway, Egypt, and Indochina. Those getting smaller quantities included Ireland, Belgium, Sweden, Denmark, New Zealand, Austria, Hong Kong, Switzerland, Finland, and India. Thailand and Pakistan got practically the same amounts in both periods.

Prices

The season average price for the 1953 flue-cured crop is not likely to be greatly different than the 50.3 cents per pound for the 1952 crop, which averaged 4 percent less than for the 1951 average price, partly due to lower quality. Demand by purchasers for domestic uses probably will be quite strong. Government price support is likely to be below the 50.6 cents per pound level of last season. On March 25, the Department announced 47.9 cents as the minimum level at which the 1953 flue-cured crop would be supported. The actual level of support will be 47.9 cents or 90 percent of the July 1 parity price, whichever is higher. The parity price for flue-cured has been lower in 1953 for two reasons: (1) the index of prices paid by farmers, including taxes, interest, and wage rates, in

January-April 1953 averaged 2.6 percent lower than in January-April 1952 and (2) the adjusted base price from which 1953 flue-cured parity is computed is 2.6 percent lower than it was for 1952. (The adjusted base price is computed by dividing the average price of a commodity in the most recent 10 years by the average index of prices received for all farm commodities in the most recent 10 years.)

The quantities of flue-cured placed under Government loan in the past 7 seasons, together with the quantities remaining under loan are shown in table 10.

Table 10.- Flue-cured price support operations, 1946-52

Marketing season	Flue-cured placed under Government loan (Farm-sales-weight equivalent): Quantity	Flue-cured placed under Government loan (Farm-sales-weight equivalent): Production of total crop	Remaining in Government loan stocks on April 30, 1953 1/
	Million pounds	Percent	Million pounds
1946	66.5	4.9	0.0
1947	232.3	17.6	.0
1948	106.1	9.7	.0
1949	103.5	9.3	.0
1950	77.6	6.2	11.7
1951	142.2	9.8	71.1
1952 2/	243.4	17.8	165.1

1/ Actual loan stocks in terms of packed weight are 11 or 12 percent less than their equivalent farm-sales weights shown in this column.

2/ Of the 243.4 million pounds pledged for CCC loans, 78.4 million pounds represented quantities acquired for British manufacturers under option to purchase. The great bulk of this was purchased and removed from loan stocks by April 30, 1953.

Burley, Type 31

1953-54 Supplies

According to farmers' intentions on March 1, about 429,500 acres of Burley will be grown in 1953--about 7 percent less than the 1952 acreage, which was the largest since 1946. Farm acreage allotments for 1953 were generally reduced 10 percent, except for the small allotments of .7 of an acre or less which are affected by special provisions in the law. The harvested acreage in 1952 equaled about 97 1/2 percent of the allotted acreage, and this year's intended acreage indicates that the allotments will again be quite fully planted. If the average yield per acre should equal the 1950-52 average, production would be about 570 million pounds--12 percent lower than the extraordinarily large 650 million pound crop of last year. Burley growers have produced two record crops in a row.

Carryover of Burley on October 1, 1953 (beginning of the 1953-54 marketing year), is expected to be about 1,160 million pounds--9 percent larger than on October 1, 1952. The 1953-54 total supply--carryover plus production may approximate 1,730 million pounds--1 percent above the 1952-53 level. Such a supply would be about 3.1 times probable disappearance in 1953-54--partically the same ratio as in the current year.

Domestic Use and Exports

During the year ending September 30, 1953, domestic use of Burley may reach 520 million pounds--about 3 percent above the previous year. The high rate of cigarette manufacture will account for the increase inasmuch as use in smoking and chewing tobacco seems likely to be smaller.

Table 11.- Burley tobacco, type 31: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	287	701	988	314	302	12	22.2
1939	395	684	1,079	317	305	12	17.3
1940	377	762	1,139	341	335	6	16.2
1941	337	798	1,135	380	374	6	29.2
1942	344	755	1,099	413	407	6	41.8
1943	392	686	1,078	427	418	9	45.6
1944	591	651	1,242	483	474	9	44.0
1945	577	759	1,336	483	448	35	39.4
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	561	974	1,535	535	494	41	45.2
1950	499	1,000	1,499	518	488	30	49.0
1951	618	981	1,599	538	506	32	51.2
1952 2/	650	1,061	1,711				50.3

1/ Year beginning October 1. 2/ Subject to revision.

The marketing year exports of Burley seem likely to be about 30 million pounds (farm-sales weight)--a little lower than in 1951-52. During the first half of the current marketing year, Burley exports were almost 11 percent lower than in the same period of 1951-52. The eight ranking foreign outlets in the October 1952-March 1953 period were Sweden, Belgium, Mexico, Germany, France, Denmark, Portugal, and Philippine Republic. Sweden, Mexico, France, and the Philippine Republic increased their takings but less went to Belgium, Germany, and Portugal. Denmark took about the same in both periods. Among other countries, the United Kingdom and Netherlands took more but Egypt and Switzerland took less and Norway took considerably less than in the same period of a year earlier.

Prices

The 1952 crop, the largest on record, was marketed in the shortest selling season in history, with the final sale being held February 19, 1953. The quality of offerings was below the previous year. The support level for the 1952 crop was 49.5 cents per pound. For the 1953 crop, the Government price support is likely to be lower. On March 25, the Department announced 46.6 cents as the minimum level at which the 1953 Burley crop would be supported. The actual level of support will be 46.6 cents or 90 percent of the October 1 parity, whichever is higher. The 1953 parity for Burley during the first third of the year has been lower than last year for two reasons: (1) the index of prices paid by farmers, including taxes, interest, and wage rates, in January-April 1953 averaged 2.6 percent lower than in January-April 1952 and (2) the adjusted base price from which the 1953 Burley parity is computed is 3.1 percent lower than it was for 1952. (The adjusted base price is computed by dividing the average price of a commodity during the most recent 10 years by the average index of prices received for all farm commodities in the most recent 10 years.)

The quantities of Burley placed under Government loan in the past 7 seasons, together with the quantities remaining under Government loan, are shown in table 12.

Table 12.- Burley price support operations, 1946-52

(Farm-sales-weight equivalent)

Marketing season	Burley placed under Government loan		Remaining in Government loan stocks on April 30, 1953, 1/
	Quantity	Proportion of total crop	
	Million pounds	Percent	Million pounds
1946	147.8	24.1	0.0
1947	37.7	7.8	.0
1948	96.7	16.0	.0
1949	39.1	7.0	.0
1950	44.2	8.9	14.2
1951	97.5	15.8	88.2
1952	103.6	15.9	103.2

1/ Actual loan stocks in terms of packed weight are 10 or 11 percent less than their equivalent farm-sales weights shown in this column.

Maryland, Type 32 3/

1953-54 Supplies

The 1953 prospective acreage of Maryland tobacco, as indicated by March 1 farmers' intentions, is 47,000--8 percent less than last year and

3/ In 1952, the Congress amended the Agricultural Adjustment Act of 1938 to provide that for the purposes of marketing quotas and, when in effect, the sliding scale price supports, the carryover and total supply of Maryland tobacco would be computed on the basis of January 1 following the beginning of the marketing year instead of on the basis of October 1, as heretofore. Inasmuch as the definition of the marketing year, itself, was not changed, the discussion and statistical table are in terms of the October-September period.

the smallest since 1948. Acreage allotments are in effect on Maryland tobacco for the first time, and the indicated acreage is over 10 percent below the total allotment. If the 1953 yield per acre should be equal to the 1950-52 average, the 1953 crop would be about 37 million pounds--6 percent below the 39-1/2 million pound 1952 crop. The 3 preceding crops (1949-51) were each 40 million pounds or more--a level only once before exceeded--1946.

It is estimated that the stocks of Maryland tobacco on October 1, 1953, will be 76 million pounds--5 percent above that of last October and above any previous year. The expected 1953 production plus the estimated October stocks would total 113 million pounds--slightly higher than the corresponding figure of last year.

Domestic Use and Exports

The major domestic use for Maryland tobacco is in cigarettes. The increase in cigarette output in the 1949-52 period was not reflected in the domestic use figures for Maryland tobacco. However, it appears that domestic use of Maryland in the current year may increase and be about 29 million pounds compared with 26-3/4 million in 1951-52.

Exports of Maryland tobacco are expected to be 7 million pounds (farm-sales weight) or more compared with a little over 6-1/2 million in 1951-52. During October 1952-March 1953, exports of Maryland tobacco were over 2 percent higher than in the similar period of a year earlier. Switzerland accounted for 76 percent of the total and took 23 percent more than in October 1951-March 1952. Though taking much less than Switzerland, the next ranking outlets were French Morocco, Netherlands, and Germany. The latter two got more than a year earlier. French Morocco, Belgium, Spain, and Denmark got less while Tunisia got none in contrast to about 300,000 pounds in the October-March 1952 period.

Prices

Auction markets for the 1952 Maryland crop began on May 5, 1953. Auction sales through May 26 totaled 12.8 million pounds and averaged 50.4 cents per pound. The average price of auction sales in May 1952 was 44.2 cents per pound, and the season average for the 1952 crop was 44.8 cents. The percentage of lower quality tobacco in offerings thus far has been greater than in 1952. The crop grown in 1951 and marketed last year was considerably better quality than the year previous. Maryland tobacco goes to 4 auction markets and also to the Baltimore hogshead market. The hogshead market opened for competitive bidding on May 7.

Government price support is not in effect on the crop now being marketed since growers disapproved a quota on the 1952 crop. However, on October 29, 1952, growers approved a quota on their 1953 crop by more than the required two-thirds of those voting (74 percent); and Government price support will be in effect next year when the 1953 crop goes to market. On March 25, the Department announced 50.4 cents as the minimum level at which the 1953 Maryland crop would be supported. The actual level of support will be 50.4 cents or 90 percent of the October 1 parity, whichever is higher.

Table 13.- Maryland tobacco, type 32: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Production plus Oct. 1 stocks	Disappearance 1/ Total	Disappearance 1/ Domestic 2/	Disappearance 1/ Exports 2/	Average price per pound	Stocks following Jan. 1 3/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents	Million pounds
Average 1934-38	27.5	41.3	68.8	26.5	21.1	5.4	19.7	38.4
1939	32.8	41.4	74.2	26.5	22.6	3.9	21.1	36.3
1940	32.6	47.7	80.3	28.5	25.9	2.6	33.0	43.2
1941	31.2	51.8	83.0	27.2	26.1	1.1	30.1	45.0
1942	28.1	55.8	83.9	34.4	32.2	2.2	56.5	47.7
1943	20.8	49.5	70.3	25.1	23.8	1.3	45.3	43.8
1944	38.2	45.2	83.4	31.2	28.8	2.4	55.5	37.6
1945	18.4	52.2	70.6	30.3	24.2	6.1	57.0	46.5
1946	46.2	40.3	86.5	34.0	28.3	5.7	44.5	32.4
1947	37.8	52.5	90.3	34.3	27.0	7.3	42.8	44.8
1948	35.0	56.0	91.0	37.0	27.7	9.3	54.4	46.9
1949	41.2	54.0	95.2	35.4	28.0	7.4	48.3	45.5
1950	40.0	59.8	99.8	35.5	27.1	8.4	48.2	53.4
1951	41.6	64.3	105.9	33.3	26.7	6.6	44.8	59.3
1952 2/	39.5	72.6	112.1					64.9

1/ Year beginning October 1. 2/ Subject to revision. 3/ Public Law 464-82nd Congress (an amendment to previous Agricultural legislation) provides that for the purposes of marketing quotas and when in effect, the sliding-scale price support, the carryover and total supply of Maryland tobacco shall be computed as of January 1 following the beginning of the marketing year--defined as the October 1-September 30 period.

Price support operations were carried out on the 1948, 1949, and 1950 crops of Maryland tobacco. The quantities placed under Government loan when those crops were marketed and the quantities remaining under loan are shown in table 14.

Table 14.- Maryland tobacco price support operations, 1948-50 crops 1/

(Farm-sales-weight equivalent)

Crop	Maryland tobacco placed under Government loan: Quantity	Maryland tobacco placed under Government loan: Proportion of total crop	Remaining in Government loan stocks on April 30, 1953 2/
	Million pounds	Percent	Million pounds
1948	3.0	8.6	1.5
1949	2.6	6.3	1.0
1950	5.5	13.8	5.3
1951	No price support in operation.		
1952	No price support in operation.		

1/ Maryland tobacco grown in one year is auctioned in the spring and summer of the following year. 2/ Actual loan stocks in terms of packed weight are about 2 percent less than their equivalent farm-sales weight.

Fire-Cured, Types 21-23

1953-54 Supplies

The prospective acreage of fire-cured tobacco, as indicated by farmers' intentions on March 1, is 47,600 compared with 47,400 acres harvested in 1952. Fire-cured tobacco acreage has been reduced nearly one-fourth in the last 6 years. The 1953 acreage allotments are about the same as in 1952. Intended acreage for harvest is over 15 percent lower than the total acreage allotment. If yields per acre should equal the 1950-52 average, production this year would be around 56 million pounds--2 million less than last year and the smallest on record.

Carryover of fire-cured tobacco on October 1, 1953 (beginning of the 1953-54 marketing year), is expected to be about 141 million pounds--4 percent below the level of each of the 2 preceding years. The total 1953-54 supply--production plus carryover--would be near 197 million pounds--4 percent lower than the 1952-53 level and below any previous year except 1945-46.

Domestic Use and Exports

During the marketing year, October 1952-September 1953, domestic use of fire-cured tobacco is estimated at 31 million pounds--a little less than in 1951-52. During the first half of the current marketing year, snuff manufacture--the principal domestic use for fire-cured--was lower than in the same period of a year earlier.

Exports of fire-cured tobacco during the current marketing year are estimated at 33 million pounds (farm-sales weight)--about 5 million more than in 1951-52 but 7 million lower than 1950-51. During October 1952-March 1953 (first half of the current marketing year), total fire-cured tobacco exports were 16 percent above those in the corresponding period of a year earlier. Exports of Kentucky-Tennessee fire-cured tobacco (accounting for over four-fifths of the total) increased 12 percent. The five top ranking outlets were Netherlands, Switzerland, Spain, Sweden, and France. The last four took substantially more Kentucky-Tennessee fire-cured than in October 1951-March 1952 while Netherlands got less. Also, the United Kingdom, Belgium, Germany, Portugal, and French African countries took smaller amounts. Denmark got practically the same in both periods.

The October 1952-March 1953 exports of Virginia fire-cured were 48 percent more than in the same months of a year earlier. The three leading outlets for Virginia fire-cured, Norway, Sweden, and the United Kingdom, each got substantially more than in the first half of the 1951-52 marketing year but Austria, Australia, New Zealand, and Germany, each got less.

Prices

The 1952 season average for Virginia fire-cured, type 21, was 35.5 cents per pound--9 percent lower than for 1951. Most of the decline was due to poorer quality. The 1952 season average for Kentucky-Tennessee

fire-cured, type 22, was 39.1 cents--7 percent lower than the previous year, though the second highest on record. The 1952 average for type 23 was 35.2 cents--equaling the record average for the 1951 crop. The quality of type 22 was not as good as a year earlier but for type 23, it was better.

Table 15.- Fire-cured tobacco, types 21-24: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1939	99.4	136.2	235.6	94.0	55.1	38.9	10.6
1940	106.5	141.6	248.1	64.2	45.6	18.6	9.5
1941	69.7	183.9	253.6	69.0	51.5	17.5	14.1
1942	71.5	184.6	256.1	76.3	60.7	15.6	17.1
1943	64.9	179.8	244.7	71.2	54.5	16.7	23.4
1944	66.1	173.5	239.6	107.8	43.9	63.9	24.5
1945	58.3	131.8	190.1	85.2	37.6	47.6	31.5
1946	108.9	104.9	213.8	70.4	36.0	34.4	36.0
1947	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948	73.2	162.6	235.8	78.6	35.4	43.2	31.9
1949	72.2	157.2	229.4	64.7	35.4	29.3	29.8
1950	58.3	164.7	223.0	75.7	35.9	39.8	31.2
1951	59.5	147.3	206.8	59.9	31.8	28.1	40.0
1952 2/	58.2	146.9	205.1				37.6

1/ Year beginning October 1. 2/ Subject to revision.

The 1952 support level for fire-cured tobacco was 37.1 cents per pound. On March 25, 1953, the Department announced 35.0 cents as the minimum level at which the 1953 fire-cured crop would be supported. The Government price support for fire-cured is computed at 75 percent of the Burley support level. If the Burley parity and, correspondingly, its support level are higher as of October 1, 1953, the actual price support for the 1953 fire-cured crop would also increase. If there should be a decline, the announced minimum becomes the actual support level.

The total quantities of fire-cured placed under Government loan in the last 7 seasons and that remaining are shown in table 16. In the 1952 marketing season, 19 1/2 percent of the Virginia fire-cured crop, 21 percent of Eastern District, Kentucky-Tennessee fire-cured, and 11 percent of Western District, Kentucky-Tennessee fire-cured were delivered for Government loans. The quantities and percentages of Kentucky-Tennessee tobacco going under loan exceeded the previous year, but loans on Virginia fire-cured differed little from a year earlier.

Table 16.- Fire-cured price support operations, 1946-52

(Farm-sales-weight equivalent)

Marketing season	Fire-cured placed under Government loan: Quantity	Proportion of total crop	Remaining in Government loan stocks on April 30, 1953 1/
	Million pounds	Percent	Million pounds
1946	40.7	37.4	3.5
1947	31.3	36.2	8.1
1948	27.3	37.3	9.5
1949	18.7	25.9	7.4
1950	12.5	21.4	9.8
1951	7.5	12.7	6.0
1952	10.9	19.6	10.9

1/ Actual loan stocks in terms of packed weight range from 5 to 11 percent less than their farm-sales weights shown in this column.

Dark Air-Cured, Types 35-37

1953-54 Supplies

The acreage of dark air-cured tobacco, as indicated by farmers' intentions on March 1, is 27,300 compared with 26,300 harvested in 1952. The farm acreage allotments of the Kentucky-Tennessee dark air-cured remained about the same as last year and indicated acreage changes for these types were relatively small. The intended acreage is about 10 percent below the total allotment. The Virginia sun-cured acreage may be 18 percent larger than 1952 harvested acreage. The sun-cured allotment is a little larger but the intended increase reflects primarily fuller planting of allotments. In 1952, harvested acreage was substantially less than the total allotment for this type. If yields per acre equal the 1950-52 average, the 1953 production of dark air-cured tobacco would be about 32 million pounds--1 to 2 million less than the 1952 crop. Carryover of dark air-cured tobacco on October 1, 1953 (beginning of the 1953-54 marketing year), is estimated at 79 million pounds--6 million larger than a year earlier and, except for 1950, above any previous October in 21 years. A sizable increase in stocks of One Sucker (type 35) has occurred over the past year. The total 1953-54 supply--production plus carryover--may be 111 million pounds--4 percent larger than the 1952-53 level and above most previous years since the early 1930's except for 1948-49.

Domestic Use and Exports

Domestic use of dark air-cured tobacco in the current marketing year (October 1952-September 1953) is estimated at 22 million pounds--almost the same as in 1951-52, which was 15 percent below that in 1950-51. This decline is mainly accounted for by the smaller output of chewing tobacco, which is the major domestic outlet for these types.

Table 17.- Dark air-cured tobacco, types 35-37: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1939	44.2	56.1	100.3	34.7	27.3	7.4	7.3
1940	42.5	65.6	108.1	33.7	29.0	4.7	7.7
1941	31.5	74.4	105.9	41.9	38.9	3.0	12.0
1942	35.2	64.0	99.2	33.9	29.8	4.1	15.0
1943	30.0	65.3	95.3	37.6	34.4	3.2	27.2
1944	44.9	57.7	102.6	42.2	35.9	6.3	23.3
1945	43.6	60.4	104.0	43.6	30.5	13.1	25.2
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.9	23.1	14.8	28.7
1949	36.2	74.1	110.3	30.5	24.3	6.2	28.2
1950	28.6	79.8	108.4	36.6	26.3	10.3	24.6
1951	31.7	71.8	103.5	30.3	22.4	7.9	34.3
1952 2/	33.8	73.2	107.0				31.6

1/ Year beginning October 1. 2/ Subject to revision.

Exports of dark air-cured tobacco in the current marketing year seem likely to be about 6 million pounds (farm-sales weight)--nearly 2 million pounds lower than in 1951-52. During the first half of this marketing year (October 1952-March 1953), dark air-cured exports were 33 percent lower than in the same months, a year earlier. Dark air-cured tobacco exports are made up partly of leaf and partly of Black Fat--a semiprocessed form. One Sucker leaf exports in the first half of the current marketing year were largely to Nigeria but were lower than a year earlier. Sharp drops occurred in shipments to Belgium, Tunisia, and Gold Coast. Green River leaf exports were down very sharply due to much less going to Britain but the Netherlands got substantially more than in October 1951-March 1952. Exports of Black Fat were only a little over one-half as much as a year earlier with substantially less going to French West and Equatorial Africa and Nigeria. Black Fat going to the Gold Coast was nearly the same in both periods.

Prices

The 1952 crop of One Sucker (type 35) brought an average price of 32.2 cents per pound--6 percent lower than the previous crop but the second highest on record. The 1952 season price for Green River (type 36) was 30.4 cents--down 11 percent from 1951 but above any other previous year. The 1952 Virginia sun-cured (type 37) average price of 31.6 cents was 9 percent lower than that for the 1951 crop and has been exceeded several times in the past 10 years.

The support price for the 1952 crop of dark air-cured tobacco was 33.0 cents per pound. On March 25, 1953, the Department announced 31.1 cents as the minimum level at which the 1953 dark air-cured tobacco would be supported. The Government price support for dark air-cured is computed at 66 2/3 percent of the Burley support level. If the Burley parity and, correspondingly, its support level are higher as of October 1, 1953, the actual price support for the 1953 dark air-cured crop would also increase. If there should be a decline, the announced minimum becomes the actual support level.

The total quantities of dark air-cured tobacco placed under Government loan in the last 7 marketing seasons and the quantities remaining are shown in table 18. In the 1952 season, about 37 percent of the One Sucker crop, 23 percent of the Green River crop, and an insignificant percentage of the Virginia sun-cured crop were delivered for Government loans. Over one-third more One Sucker and about one-fourth more Green River were placed under loan in the 1952 season than in the previous season.

Table 18.- Dark air-cured price support operations, 1946-52

Marketing season	Dark air-cured placed under Government loan (Farm-sales-weight equivalent)		Remaining in Government loan stocks on April 30, 1953 1/
	Quantity	Proportion of total crop	
	Million pounds	Percent	Million pounds
1946	15.7	31.7	1.4
1947	14.4	38.7	10.2
1948	8.9	25.6	5.1
1949	4.1	11.3	2.7
1950	4.1	14.3	3.9
1951	7.3	23.0	7.0
1952	2/10.1	31.6	10.0

1/ Actual loan stocks in terms of packed weight are 11 or 12 percent less than their farm-sales-weight equivalent. 2/ Of the 10.1 million pounds pledged for CCC loans, 0.2 million pounds represented quantities acquired for British manufacturers under option to purchase.

Cigar, Types 41-62

1953-54 Supplies

Filler: The prospective acreage of continental filler types, as indicated by farmers on March 1, is 29,500 compared with 28,900 harvested in 1952. The Pennsylvania type 41, at 24,000, is only 3 percent more than last year's acreage, which was the smallest in 17 years. The indicated Ohio types 42-44 acreage, at 5,500, is 4 percent lower than in 1952 and the third lowest on record. Acreage allotments are in effect on the Ohio filler types but not on Pennsylvania Seedleaf. If 1953 yields per acre

should equal the 1950-52 average, production of continental cigar filler this year would be about 45 million pounds--only slightly above the relatively small 1952 crop. The carry-over next October 1 seems likely to be about 146 million pounds--nearly 10 percent less than on October 1, 1952. The 1953-54 total supply probably will be 190 to 195 million pounds compared with 206 million in 1952-53. Such a 1953-54 supply would be lower than in each of the 4 preceding years and near the 1948-49 level.

Table 19.- Shipments of tobacco from Puerto Rico to the United States for specified periods

Classification	Average 1934-38	1950	1951	1952
	Million pounds	Million pounds	Million pounds	Million pounds
Stemmed	17.4	9.9	10.2	14.6
Unstemmed	.1	1/	3.5	.6
Scrap	5.0	9.3	3.1	6.5
Total	22.5	19.2	16.8	21.7

1/ Less than 50,000 pounds.

Puerto Rican cigar filler is planted in the fall and harvested mostly in the following spring. The 1951-52 crop harvested last spring was about 28 million pounds. The 1952-53 crop is estimated at nearly 29 million pounds--about 3 percent more than 1951-52. Acreage was 5 or 6 percent above the preceding year but drought conditions reduced the yield. Manufacturers' and dealers' stocks of Puerto Rican tobacco on April 1, 1953, were 46 million pounds--roughly one-half in the United States and one-half in Puerto Rico--4 percent lower than a year earlier.

Binder: The prospective acreage of cigar binder types, as indicated by farmers on March 1, is 33,100 compared with 31,400 harvested in 1952. Acreage allotments are in effect on all binder types in 1953, though they were not in 1952. Connecticut Valley Broadleaf acreage seems likely to be practically the same as in 1952, an increase of about 7 percent is indicated for Connecticut Valley Havana Seed acreage, and New York-Pennsylvania Havana Seed acreage is unchanged from last year. The Southern Wisconsin tobacco intended acreage is the same as the revised 1952 figure but Northern Wisconsin may increase tobacco acreage by 10 percent or more.

If yields per acre for all binder types combined should equal the 1950-52 average, the 1953 binder production would be about 51 million pounds--6 percent larger than in 1952. The carryover of the cigar binder types next October 1 (beginning of the 1953-54 marketing year) seem likely to be near 123 million pounds--9 percent below that of last October 1 and the smallest in 4 years. The total 1953-54 binder supply--carryover plus production--may approximate 174 million pounds--5 percent less than for 1952-53 and, the lowest since 1945-46.

Table 20.- Cigar tobacco, types 41-55: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)

Type and year	Production	Stocks October 1	Supply	Disappearance year beginning October 1	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Filler types 41-44 1/					
Average 1934-38	48.9	159.9	208.8	54.4	10.4
1939	63.1	141.9	205.0	54.0	11.7
1940	64.7	151.0	215.7	58.7	12.0
1941	71.2	157.0	228.2	61.4	12.5
1942	53.8	166.8	220.6	67.0	13.2
1943	47.0	153.6	200.6	55.2	18.6
1944	54.6	145.4	200.0	57.1	19.5
1945	45.4	142.9	188.3	59.5	34.0
1946	57.3	128.8	186.1	63.9	32.8
1947	60.6	122.2	182.8	59.1	30.6
1948	68.3	123.7	192.0	60.1	25.8
1949	65.4	131.9	197.3	53.5	26.2
1950	65.7	143.8	209.5	52.1	25.2
1951	63.0	157.4	220.4	59.4	19.6
1952 2/	44.8	161.0	205.8		25.2
Binder types 51-55 3/					
Average 1934-38	41.8	165.1	206.9	60.5	12.5
1939	63.3	116.6	179.9	45.0	16.6
1940	67.9	134.9	202.8	66.1	14.5
1941	61.6	136.7	198.3	60.4	16.9
1942	55.2	137.9	193.1	66.4	20.4
1943	51.0	126.7	177.7	69.2	30.3
1944	57.7	108.5	166.2	63.9	30.9
1945	63.5	102.3	165.8	62.3	47.7
1946	74.1	103.5	177.6	53.9	52.7
1947	69.4	123.7	193.1	67.3	43.4
1948	60.5	125.8	186.3	63.1	41.2
1949	61.7	123.2	184.9	49.8	36.0
1950	65.0	135.1	200.1	57.6	35.8
1951	49.8	142.5	192.3	57.5	38.1
1952 2/	48.3	134.8	183.1		38.6

1/ Includes small quantity of type 45 in 1934-38 average. 2/ Subject to revision. 3/ Includes small quantity of type 56 through 1948.

Wrapper: The prospective acreage of shade-grown wrapper, according to March 1 indications, is 12,300-5 percent lower than that harvested in 1952. The slight increase indicated in the Connecticut Valley type 61 was more than offset by the 14 percent decrease in the Georgia-Florida type 62. A marketing agreement and order, restricting marketings to the better quality leaves, is in effect on Georgia-Florida shade-grown wrapper. If yields per acre should equal the 1950-52 average, the 1953 total production of wrapper would be about 13-3/4 million pounds--5 percent below last year's and the smallest in 6 years. The carryover on July 1 (beginning of 1953-54 marketing year) is estimated at near 21 million pounds--

Table 21.- Cigar tobacco, types 61-62: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)

Type and year	Production	Stocks July 1	Supply	Disappearance year beginning July 1	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Wrapper types 61-62:					
Average 1934-38	8.4	11.8	20.2	9.3	78.3
1939	11.4	10.1	21.5	7.9	67.7
1940	9.5	13.6	23.1	10.4	77.6
1941	10.1	12.7	22.8	9.6	98.4
1942	9.2	13.2	22.4	9.4	132.1
1943	10.0	13.0	23.0	8.7	167.7
1944	11.3	14.3	25.6	10.9	196.1
1945	11.2	14.7	25.9	12.3	197.3
1946	12.5	13.6	26.1	12.7	234.0
1947	13.5	13.4	26.9	12.4	296.0
1948	15.1	14.5	29.6	13.0	274.0
1949	17.3	16.6	33.9	14.5	201.0
1950	15.5	19.4	34.9	14.9	203.0
1951	14.9	20.0	34.9	13.7	194.0
1952 1/	14.5	21.2	35.7		237.0

1/ Subject to revision.

practically the same or a little less than the record July level of last year. The total 1953-54 supply--carryover plus production--probably will approximate 34 to 35 million pounds--a little lower than the peak 1952-53 level of nearly 35-3/4 million pounds.

Domestic Use and Exports

The major use of cigar types is in cigars, but sizable quantities, particularly of the lower grades of the binder types, are used in the manufacture of scrap chewing products. The October 1952-March 1953 estimated output of cigars was 3 or 4 percent above the same months of 1951-52 but the output of scrap chewing declined about 5 percent.

Exports of cigar filler and binder during October 1952-March 1953 totaled .2 and 2.4 million pounds, respectively. The filler exports were only about one-half as much as in the corresponding period of 1951-52 with the major declines occurring in shipments to Algeria, Germany, and Tunisia. The binder exports were 64 percent above those in October 1951-March 1952 because of the increased quantity going to West Germany and East Germany. Also, more went to Belgium but less to Netherlands and Canada and none to Austria.

The total disappearance of filler, types 41-44, in the year ending September 30 seems likely to be about 60 million pounds--the great bulk of it, domestic use. The total disappearance of binder, types 51-55, in the year ending September 30 is also expected to be around 60 million pounds, including probably 3 to 4 million pounds of exports. The total disappearance of cigar wrapper, types 61-62, in the year ending June 30 is likely to be between 14 and 15 million pounds, including around 3 1/2 million pounds of exports. During the first 9 months of the cigar wrapper marketing year, exports were 10 percent more than in the corresponding period of last season. West Germany (accounting for three-fifths) got nearly the same as a year earlier, Netherlands got more, and East Germany took a sizable amount. Denmark and Austria took less than a year earlier.

Table 22.- Cigar tobacco types, Government loan levels, season average prices--1950-52, and minimum supports--1953

Type	1950 loan level	1950 season average	1951 loan level	1951 season average	1952 season average 1/	1953 minimum supports
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Pennsylvania filler, type 41	25.2	26.4	(1/)	19.0	25.2	(1/)
Ohio cigar filler, types 42-44	23.6	18.6	26.1	24.4	25.0	25.4
Puerto Rican filler, type 46	29.0	24.9	32.6	30.0	(2/)	(3/)
Conn. Valley Broadleaf binder, type 51	49.0	52.0	55.2	51.0	50.0	53.4
Conn. Valley Havana Seed binder, type 52	49.5	39.8	54.2	42.6	48.9	51.2
N. Y. and Pa. Havana Seed binder, type 53	25.5	21.7	28.0	22.3	20.9	26.1
Southern Wis. binder, type 54	24.1	23.5	27.3	25.3	19.5	25.4
Northern Wis. binder, type 55	30.0	28.1	33.5	31.3	31.4	32.0
Conn. Valley shade-grown, type 61	(4/)	205.0	(4/)	205.0	275.0	(4/)
Ga.-Fla. shade-grown, type 62	(4/)	200.0	(4/)	180.0	180.0	(4/)

1/ Government price support not in effect except for Puerto Rican type 46 in 1952. 2/ 1952 loan level--33.1 cents--season average not available. 3/ Support level will be announced as of October 1, 1953. 4/ Mandatory loans not applicable.

Prices

The 1952 season average prices for Pennsylvania filler and Connecticut Valley Havana Seed were notably higher than for the 1951 crops but the average price of Southern Wisconsin tobacco showed a considerable decline. Average prices of other filler and binder types were not greatly different for 1952 compared with 1951. The 1952 cigar filler and binder crop, except Puerto Rican, type 46, was without Government price support since marketing quotas were not approved by growers on that crop. The 1953 cigar filler and binder crops, except Pennsylvania, type 41, will receive Government price support. Growers of types 42-44 and 51-55 approved a marketing quota on the 1953 crop, and price support for these types is mandatory at 90 percent of parity. The Department announced the minimum supports for these types on March 25, and these are shown in table 22. If the parity price of cigar filler and binder (types 42-44 and 51-55) should advance by October 1, 1953, the supports will be increased in about the same proportion; but if there is a decrease, the minimums become the actual price supports for the 1953 crops.

A Federal marketing quota is not in effect on Puerto Rican tobacco since supplies are not in excess of the "reserve supply level" as defined in the applicable legislation.

The quantities of cigar tobacco placed under Government loan in the last 7 seasons and the quantities remaining are shown in table 23. Loans were available only on Puerto Rican, type 46, for the 1952 crop (harvested and sold early in 1953).

Table 23.- Cigar tobacco price support operations, 1946-52

Type	Quantity (farm-sales weight) placed under loan from crop produced in: 1946	1947	1948	1949	1950	1951	1952	Quantity (packed weight) remaining under loan April 30, 1953
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Type 41 (Pa. Seed.)	0	0	0	0	2,839	1/	1/	607
Types 42-44 (Ohio)	0	0	0	0	2,575	571	1/	2/2,052
Type 46 (P.R.) 3/	10,575	10,257	12,252	9,263	273	1,062	627	588
Type 51 (Conn. V.)	0	0	0	113	51	1,708	1/	997
Type 52 (Conn. V.)	0	0	0	3,189	3,724	2,668	1/	1,792
Type 53 (N.Y. and Pa.)	0	0	0	0	4	32	1/	36
Type 54 (So. Wisc.)	2,244	830	2,038	228	1,433	4,804	1/	2/6,347
Type 55 (No. Wisc.)	0	0	3,043	508	599	73	1/	0

1/ Price support not in effect because marketing quota was disapproved by growers of this type. 2/ All of the specified quantity of types 42-44 and about 35 percent of the specified quantity of type 54 have been placed in CCC inventories. 3/ Crop harvested in early months of following year--1952 marketings not yet completed.

Table 24.- Acreage of tobacco in the United States, by class and type, average 1934-38, annual 1951-53, and percentages

Class and type	Average 1934-38	1951	1952 1/	1953 2/	Percentage change 1952 to 1953
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	327.1	396.0	397.0	368.0	-7.3
Eastern North Carolina, type 12	296.6	356.0	356.0	331.0	-7.0
South Carolina, type 13	155.7	224.0	224.0	209.0	-6.7
Georgia and Florida, type 14	83.7	134.1	134.3	124.9	-7.0
Total flue-cured, types 11-14	863.1	1,110.1	1,111.3	1,032.9	-7.1
Virgina, type 21	23.1	10.0	9.8	10.0	+2.0
Kentucky and Tennessee, type 22	76.7	28.2	28.2	28.3	+.4
Kentucky and Tennessee, type 23	32.4	10.8	9.4	9.3	-1.1
Total fire-cured, types 21-23	3/135.2	49.0	47.4	47.6	+.4
Burley, type 31	347.2	456.1	463.5	429.5	-7.3
Maryland, type 32	36.7	53.0	51.0	47.0	-7.8
One Sucker, type 35	19.9	15.0	14.9	15.0	+.7
Green River, type 36	18.8	8.0	8.0	8.3	+3.8
Virginia sun-cured, type 37	3.3	3.5	3.4	4.0	+17.6
Total dark air-cured, types 35-37	42.0	26.5	26.3	27.3	+3.8
Pennsylvania Seedleaf, type 41	23.4	34.6	23.2	24.0	+3.4
Miami Valley, types 42-44	14.6	4.9	5.7	5.5	-3.5
Total cigar filler, types 41-44	4/38.0	39.5	28.9	29.5	+2.1
Connecticut Valley Broadleaf, type 51	7.2	8.7	9.6	9.5	-1.0
Conn. Valley Havana Seed, type 52	5.4	6.6	5.9	6.3	+6.8
N. Y. and Pa. Havana Seed, type 53	.7	.6	.5	.5	.0
Southern Wisconsin, type 54	8.9	6.9	6.0	6.0	.0
Northern Wisconsin, type 55	6.7	8.9	9.4	10.8	+14.9
Total cigar binder, types 51-55	4/29.9	31.7	31.4	33.1	+5.4
Conn. Valley shade-grown, type 61	6.3	8.4	7.8	7.9	+1.3
Ga. and Fla. shade-grown, type 62	2.6	5.2	5.1	4.4	-13.7
Total cigar wrapper, types 61-62	8.9	13.6	12.9	12.3	-4.7
Louisiana Perique, type 72	.3	.4	.3	.2	-33.3
Total all types	1,501.3	1,779.9	1,773.0	1,659.4	-6.4

1/ Preliminary. 2/ Farmers' intentions as of March 1. 3/ Includes small acreage of type 24. 4/ Includes small acreages of types 45 and 56.

Table 25.- Cash receipts from farm marketings, average 1935-39, annual 1940-52, with percentages

Year	Cash receipts				Tobacco as a percentage of	
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent
Av. 1935-39	4,559	3,395	7,954	274	8.1	3.4
1940	4,897	3,435	8,332	242	7.0	2.9
1941	6,470	4,605	11,075	323	7.0	2.9
1942	9,047	6,439	15,486	476	7.4	3.1
1943	11,466	7,892	19,358	539	6.8	2.8
1944	11,337	9,040	20,377	688	7.6	3.4
1945	11,964	9,419	21,383	898	9.5	4.2
1946	13,730	10,834	24,564	969	8.9	3.9
1947	16,476	13,230	29,706	1,032	7.8	3.5
1948	17,071	13,136	30,207	945	7.2	3.1
1949	15,359	12,585	27,944	903	7.2	3.2
1950	15,976	12,352	28,328	1,061	8.6	3.7
1951 1/	19,569	13,053	32,622	1,191	9.1	3.7
1952 1/	18,499	14,627	33,125	1,086	7.4	3.3
	Percentage change					
	Percent	Percent	Percent	Percent		
Av. 1947-49 to 1952	+13.2	+12.7	+12.9	+13.0	---	---
1951 to 1952	-5.5	+12.1	+1.5	-8.8	---	---

1/ Preliminary.

Table 26.- Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-52, by quarters 1951-52

Year and quarter	Net sales	Net income		Profit			
				Per dollar of sales		As percentage of stockholders' equity (annual basis)	
		Before federal tax	After federal tax	Before federal tax	After federal tax	Before federal tax	After federal tax
	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,329	294	129	8.8	3.9	21.8	9.6
	New series 1/						
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1951							
1	762	68	32	8.9	4.2	20.3	9.5
2	840	69	34	8.2	4.0	20.4	10.0
3	865	76	30	8.8	3.5	22.4	8.8
4	911	82	33	9.0	3.6	23.8	9.6
1952							
1	846	61	25	7.2	3.0	17.7	7.3
2	919	69	28	7.5	3.0	19.1	7.7
3	978	80	33	8.2	3.4	21.9	9.0
4	959	75	34	7.8	3.5	20.5	9.3

1/ Although not strictly comparable to the series previously published for the years 1947-50, the differences disclosed by comparing the new series with the old series for the year 1951 are relatively minor.

Bureau of Agricultural Economics. Compiled and adapted from quarterly Industrial Financial Report Series of the Securities and Exchange Commission.

Table 27.- Tobacco: Paid shipments under ECA and MSA programs, 1948-52

Country of destination and source of shipment	1948 1/		1949		1950		1951		1952	
	Mil. lb.	Mil. dol.	Mil. lb.	Mil. dol.	Mil. lb.	Mil. dol.	Mil. lb.	Mil. dol.	Mil. lb.	Mil. dol.
Country of destination:										
United Kingdom	97.4	49.5	133.4	72.6	134.7	84.4	43.3	26.7	4.0	3.1
West Germany 2/	6.9	1.5	111.8	34.3	58.8	23.5	24.0	13.7	24.0	13.6
Netherlands	1.0	.3	26.4	8.4	27.7	8.1	13.2	5.4	.6	.2
Ireland	---	---	25.6	13.8	22.3	13.0	14.0	8.9	---	---
France 3/	4.0	1.3	25.7	7.7	12.3	5.9	13.1	5.6	4.0	2.5
Belgium-Lux.	---	---	23.2	7.3	19.3	6.1	6.3	2.3	.5	.2
Denmark	5.1	3.4	10.5	6.6	8.4	4.1	5.9	3.5	2.2	1.2
Norway	5.5	3.3	8.5	5.0	6.6	3.8	5.0	3.2	.6	.4
Austria	4.8	1.4	8.0	3.6	7.0	3.2	3.5	1.7	.7	.3
Italy	---	---	2.3	1.7	2.3	1.7	2.2	1.7	---	---
Formosa	---	---	---	---	.5	.3	.8	.7	---	---
Indochina	---	---	---	---	---	---	---	---	2.2	1.4
Total	124.6	60.7	4/375.4	4/161.0	299.9	154.2	131.1	73.3	38.8	22.9
Source of shipments:										
United States	124.5	60.6	355.9	155.9	299.9	154.2	131.1	73.3	38.8	22.9
Latin American 5/	.2	.1	19.1	4.5	---	---	---	---	---	---
Indonesia 6/	---	---	.4	.6	---	---	---	---	---	---

1/ From beginning of ECA in April through December 1948. 2/ In 1950, includes tobacco financed under "Government and Relief in Occupied Areas." 3/ Includes 2.5 million pounds at .9 million dollars in 1950 and 3.2 million pounds at 1.3 million dollars in 1951 that went to French North Africa and dependent overseas territories. 4/ Total includes 131,800 pounds at 28,200 dollars to Iceland. 5/ About two-thirds to Germany and one-third to Netherlands. 6/ All to Denmark.

Note: Detail may not add to totals due to rounding.

Bureau of Agricultural Economics. Compiled from data furnished by the Mutual Security Agency, which superseded the Economic Cooperation Administration at the end of 1951.

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